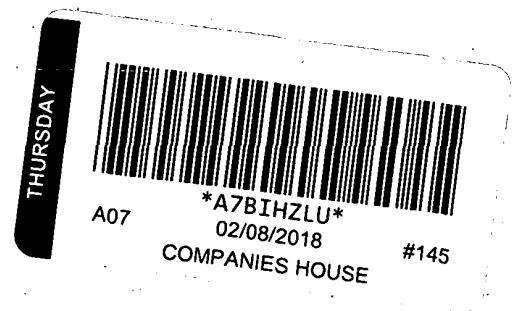


Parabola Land Limited
Financial statements
31 March 2018



Parabola Land Limited

Financial statements

Year ended 31 March 2018

Contents	Page
Strategic report	1
Directors' report	2
Independent auditors' report to the members	4
Income statement	6
Statement of financial position	7
Statement of changes in equity	8
Statement of accounting policies	9
Notes to the financial statements	11

Parabola Land Limited

Strategic report

Year ended 31 March 2018

Review of the business

The company's principal activity is holding and development of investment property. It has acquired one investment property and disposed of two investment properties during the year.

Turnover for the financial year is £1,973,437 (2017: £539,852) with a profit, after revaluation gains, of £3,653,110 (2017: £5,441,441).

Future outlook

The Company intends to realise the current investment portfolio in the short term with a view to returning capital to its shareholders, whilst assessing the market for further investment opportunities.

Principal risks and uncertainties

Volatility in the property market is a key risk, and the business could be subject to variations in the value of the portfolio, and the timing of property sales.

Financial risk management

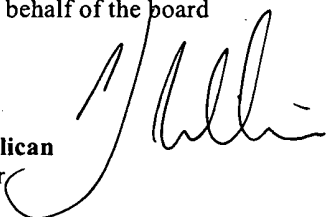
The directors monitor interest and market risk on an ongoing basis.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the company.

Sign on behalf of the board

P J Millican
Director



Approved by director on 25 July 2018

Parabola Land Limited

Directors' report

Year ended 31 March 2018

The directors present their report and the audited financial statements of the company for the year ended 31 March 2018.

Principal activities and business review

The principal activity of the business is to manage the portfolio with the objective of maximising capital value, and to optimise net operating income from rentals. It is also following a disposal strategy of its current property investments in order to return capital to its shareholders whilst assessing market conditions for reinvestment opportunities.

The profit for the year, after revaluation gains, was £3,653,110 (2017: £5,441,441).

Directors

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

P J Millican

T Hordon (appointed on 24 November 2017)

K F Macgregor (appointed on 24 November 2017)

O J Millican (resigned on 27 November 2017)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable donations

The company made charitable donations in the year of £1,000,000 to Parabola Foundation (2017: £8,475 to a number of organisations) in furtherance of its charitable objectives.

Parabola Land Limited

Directors' report

Year ended 31 March 2018 *(continued)*

Statement of disclosure of information to auditors

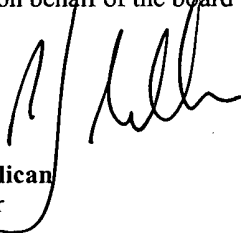
Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the board



P.J. Millican
Director

Approved by director on 25 July 2018

Parabola Land Limited

Independent auditors' report to the members of Parabola Land Limited

Report on the audit of the financial statements

Opinion

In our opinion, Parabola Land Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 March 2018; the income statement, the statement of changes in equity for the year then ended; the statement of accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Parabola Land Limited (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting


Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report. We have no exceptions to report arising from this responsibility.


Bill MacLeod (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

26 July 2018

Parabola Land Limited

Income statement

Year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	1	1,973,437	539,852
Cost of sales		(1,799,698)	(217,284)
Operating profit		173,739	322,568
Administrative expenses		(2,145,618)	(1,766,077)
Income from shares in group undertakings	5	-	7,318,009
Gain/(loss) on disposal of investment property	10	2,093,969	(788,919)
Gain on disposal of property, plant and equipment		-	60,500
Gain on revaluation of investment property	10	4,193,262	-
Profit before interest	2	4,315,352	5,146,081
Interest receivable and similar income	6	6,564	1,082,355
Interest payable and similar expenses	7	(668,807)	(786,995)
Profit before taxation		3,653,110	5,441,441
Tax on profit	8	-	-
Profit for the financial year		3,653,110	5,441,441

All of the activities of the company are classed as continuing.

The company has no other comprehensive income other than the results for the year as set out above.

The accounting policies and notes on pages 9 to 17 form part of these financial statements.

Parabola Land Limited

Statement of financial position

As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Investment property	10	21,386,775	25,061,456
Investments	9	4	4
		<u>21,386,779</u>	<u>25,061,460</u>
Current assets			
Debtors	11	2,547,884	1,836,917
Cash at bank and in hand		6,614,330	10,980,880
		<u>9,162,214</u>	<u>12,817,797</u>
Creditors: Amounts falling due within one year	12	<u>(9,150,556)</u>	<u>(17,895,930)</u>
Net current assets/(liabilities)		11,658	(5,078,133)
Total assets less current liabilities		<u>21,398,437</u>	<u>19,983,327</u>
Capital and reserves			
Called up share capital	14	1,000	1,000
Profit and loss account	15	21,397,437	19,982,327
Total shareholders' funds		<u>21,398,437</u>	<u>19,983,327</u>

The financial statements on pages 6 to 17 were approved by the Board of directors on 25 July 2018 and signed on its behalf by



P J Millican
Director

Company Registration Number: 04298209

The accounting policies and notes on pages 9 to 17 form part of these financial statements.

Parabola Land Limited

Statement of changes in equity

Year ended 31 March 2018

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 April 2016	1,000	14,540,886	14,541,886
Profit for the financial year and total comprehensive income	-	5,441,441	5,441,441
At 31 March 2017	1,000	19,982,327	19,983,327
Profit for the financial year and total comprehensive income	-	3,653,110	3,653,110
Dividends paid	-	(2,238,000)	(2,238,000)
At 31 March 2018	<u>1,000</u>	<u>21,397,437</u>	<u>21,398,437</u>

The accounting policies and notes on pages 9 to 17 form part of these financial statements.

Parabola Land Limited

Statement of accounting policies

Year ended 31 March 2018

Company Information

Parabola Land Limited is a limited company domiciled and incorporated in England and Wales, registration number 04298209. The registered office is Broadgate Tower, 20 Primrose Street, London, England, EC2A 2EW.

Basis of preparation

These financial statements have been prepared on the going concern basis, in accordance with the Companies Act 2006 and applicable standards in the United Kingdom, including Financial Reporting Standard 102 ('FRS 102'). The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments and fixed assets.

The financial statements are presented in Sterling (£).

Critical judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

The principal estimates and judgements that could have significant effect upon the company's financial results relate to the fair value of investment properties as set out in note 10.

Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it meets the definition of a small company as set out in section 382 of the Companies Act and is not excluded from the small companies regime by section 384 of the Act; and
- (ii) From disclosing the company key management personal compensation, as required by FRS 102 as the company has no employees.

Turnover

Turnover in the year ended 31 March 2018 represents rental, insurance and service charge income from the letting of industrial space excluding value added tax. Turnover relates entirely to the United Kingdom and is recognised on the accruals basis, recognising pre letting costs, including rent free periods, over the term of the lease unless there is another systematic basis which is representative of the time pattern of the company's benefit. For example, where an investment property is being marketed for sale with expected sale within 6 months of the year end the associated rental income is straight-lined over the expected period of ownership rather than the full period of the lease. Other income is recognised in the accounting period in which it is received.

Financial assets and liabilities

Financial assets and liabilities are initially measured at transaction price less any impairment. Thereafter they are measured at fair value through profit and loss.

Parabola Land Limited

Statement of accounting policies (continued)

Year ended 31 March 2018

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Accrued income

This includes the income earned during the financial year but invoiced in the subsequent financial year.

Deferred income

This includes the income invoiced during the financial year but relating to a subsequent financial year.

Investment property

Investment property is included at fair value, with each property in the portfolio revalued annually by the members and an external independent valuation performed every 5 years in accordance with the RICS Valuation and Appraisal manual. Gains are recognised in the income statement. Deferred tax is not provided on these gains.

Parabola Land Limited

Notes to the financial statements

Year ended 31 March 2018

1. Turnover

	2018	2017
	£	£
Rental income and other recoverable income from investment properties	1,973,437	539,852
	<u>1,973,437</u>	<u>539,852</u>

Turnover relates entirely to the United Kingdom

2. Profit before taxation

The profit before taxation is stated after charging:

	2018	2017
	£	£
Depreciation	-	26,663
Amortisation	-	2,631
Auditors' remuneration - audit fees	4,315	4,658
Auditors' remuneration - for other services	<u>37,959</u>	<u>226,624</u>

3. Particulars of employees

The monthly average number of staff employed by the company during the financial year amounted to:

	2018	2017
	No	No
Number of administrative staff	<u>-</u>	<u>8</u>

All staff were transferred from the company to Parabola Real Estate Investment Management LLP in February 2017. There have been no employees under contract with the company in the current year. The residual staff costs noted below for the current period relate to accrued earnings from prior to February 2017.

The aggregate payroll costs of the above were:

	2018	2017
	£	£
Wages and salaries	29,706	1,581,112
Social security costs	<u>23,417</u>	<u>157,589</u>
	<u>53,123</u>	<u>1,738,701</u>

Parabola Land Limited

Notes to the financial statements

Year ended 31 March 2018

4. Directors' remuneration

There were no directors remunerated through the company in the current year. Directors of the company have been remunerated through membership or employee contracts in Parabola Real Estate Investment Management LLP. Therefore the remuneration received by directors in the year was £nil (2017: £677,111) and the remuneration received by the highest paid director (excluding pension contributions) in the year was £nil (2017: £677,111).

5. Income from shares in group undertakings

	2018 £	2017 £
Income from group undertakings	-	7,318,009

6. Other interest receivable and similar income

	2018 £	2017 £
Interest receivable from investment	4,222	1,080,349
Bank interest	2,343	2,006
	<u>6,564</u>	<u>1,082,355</u>

7. Interest payable and similar expenses

	2018 £	2017 £
Interest payable on group undertakings		531,308
Interest payable to related parties	668,810	255,653
Finance charges	-	4
Bank charges	(3)	30
	<u>668,807</u>	<u>786,995</u>

Parabola Land Limited

Notes to the financial statements

Year ended 31 March 2018

8. Tax on profit

No current or deferred tax was charged in the current or prior year.

The tax charged assessed for the year is lower (2017: lower) than the effective rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
Profit before taxation	<u>3,653,110</u>	<u>5,441,441</u>
Profit by rate of tax 19% (2017: 20%)	694,091	1,088,288
Effects of:		
Expenses not deductible for tax purposes	108	1,715
Income not taxable for tax purposes	-	(1,973,959)
Tax losses	(194,255)	(155,913)
Effect of gains	<u>(499,944)</u>	<u>1,039,869</u>
Total tax	<u>-</u>	<u>-</u>

In 2015, the UK Government enacted legislation to reduce the UK Corporation Tax rate from 20% to 18% between 2017 and 2020. The rate will reduce to 19% from 1 April 2017, then to 18% from 1 April 2020 onwards. In 2016, further legislation was enacted to reduce the 2020 rate to 17%. This proposed reduction has no impact on the taxation disclosed in these financial statements as there are no current or deferred income tax charges.

9. Investments

	Total £
Cost	
At 1 April 2017	4
Additions	-
Disposals	-
At 31 March 2018	<u>4</u>
Net book value	
At 31 March 2018	<u>4</u>
At 31 March 2017	<u>4</u>

	2018 £	2017 £
Investment in Parabola Capital LLP	4	4

Parabola Land Limited

Notes to the financial statements

Year ended 31 March 2018

10. Investment Property

	Freehold Investment Property
	£
Fair value	
At 1 April 2017	25,061,456
Additions	4,178,038
Disposals	(12,045,981)
Net gains from fair value adjustments	4,193,262
At 31 March 2018	<u>21,386,775</u>
At 31 March 2017	<u>25,061,456</u>

Investment properties are revalued annually by the members, with an external independent valuation performed in accordance with the RICS Valuation and Appraisal manual every 5 years.

The revaluation of freehold investment properties was performed in March 2018 by the board of directors. This was based on the proposed disposal prices for the remaining assets, adjusted for other market factors.

Parabola Land Limited

Notes to the financial statements

Year ended 31 March 2018

11. Debtors

	2018	2017
	£	£
Trade debtors	357,333	387,927
Amounts owed by group undertakings	1,005,934	446,166
Taxation and social security	140,775	-
Other debtors	1,000,291	941,538
Prepayments and accrued income	43,551	61,286
	<u>2,547,884</u>	<u>1,836,917</u>

The debtors above include the following amounts falling due after more than one year:

	2018	2017
	£	£
Other debtors	<u>-</u>	<u>869,263</u>

Other debtors includes a rent default deposit given to the purchaser of Kings Place when the building was sold in April 2012. The deposit was repaid to the company in April 2018.

12. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	260,822	74,910
Amounts owed to director	1,981,694	2,034,934
Amounts owed to group undertakings	-	6,321,691
Amounts owed to related parties	6,329,258	8,247,132
Taxation and social security	5,104	77,631
Other creditors	286,584	120,804
Accruals and deferred income	287,094	1,018,828
	<u>9,150,556</u>	<u>17,895,930</u>

Amounts owed to the director relate to accrued interest over a previous loan fixed charge over the freehold property was repaid in September 2016. Interest on this loan was accrued at 4% (2017: 4%) above 3 months LIBOR and continues to accrue at the same level of the unsettled balance, and the total amount accrued at 31 March 2018 of £1,981,694 (2017: £2,034,934) has been included within the amounts owed to director. This accrued interest is repayable on demand.

Parabola Land Limited

Notes to the financial statements

Year ended 31 March 2018

12. Creditors: Amounts falling due within one year (Continued)

The amount owed to the Dorian Development Trust represents accrued interest on previously repaid loans of £1,014,553. This accrued interest is repayable on demand.

The amount owed to the Corinthian Capital Trust represents accrued interest on previously repaid loans of £5,314,706. This accrued interest is repayable on demand.

13. Related party transactions

In addition to the related party and director creditor balances noted in note 12, the company incurred asset management fees of £1,043,551 (2017: £393,724).

On 15 November 2017, the company sold one of its investment properties known as Axis Park to the Parabola UK Industrial Property Unit Trust for £2,200,000, earning a profit on disposal after sales costs of £28,089.

14. Called up share capital

Authorised share capital:

	2018	2017
	£	£
100,000 (2017: 1,000) Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2018		2017	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The company was incorporated on 11 October 2012 through the issue of 1,000 ordinary shares at £1 nominal value. 100,000 shares are authorised, with only 1,000 allotted and called up.

15. Dividends

On 4 April 2017, it was resolved that a dividend of £2,238,000 (2017: £nil) would be paid by the company to its sole shareholder using the profits available for distribution.

	2018	2017
	£	£
£2,238 (2017: £nil) per £1 share	<u>2,238,000</u>	<u>-</u>

16. Ultimate controlling parties

The immediate parent undertaking is Parabola Real Estate Holdings Limited.

The directors consider that the ultimate controlling parties of the company are the trustees of Huddersfield Trust, Property Equity Trust and London and Paris Trust by virtue of the shares held by them in the company's parent entity.

Parabola Land Limited

Notes to the financial statements

Year ended 31 March 2018

17. Operating leases

Future rental commitments under non-cancellable operating leases:

	2018	2017
	Land and buildings	Land and buildings
	£	£
Expiring within one year	-	-
Expiring between two and five years	-	-
Expiring in more than five years	201,913	209,887
Total	201,913	209,887

Lease payments of £7,974 (2017: £7,974) were recognised as an expense in the year.

18. Post balance sheet events

An investment property was sold for net proceeds of £10,892,372 on 2 May 2018.

An interim dividend of £4,000,000 to the company's sole shareholder Parabola Real Estate Holdings Limited was approved by the board of directors on 22 May 2018.